

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re : **Chapter 11 Case No.**
:
LEHMAN BROTHERS HOLDINGS INC., et al. : **08-13555 (JMP)**
:
Debtors. : **(Jointly Administered)**

X

**DECLARATION OF MICHAEL J. FIRESTONE
IN SUPPORT OF LEHMAN BROTHERS SPECIAL FINANCING, INC.'S
MOTION TO COMPEL CONGREGATION
MACHNE CHAIM TO RESPOND TO RULE 2004 SUBPOENA**

I, MICHAEL J. FIRESTONE, declare under penalty of perjury, this 30th day of November, 2010:

1. I am an associate at Weil, Gotshal & Manges LLP, counsel for debtor Lehman Brothers Special Financing, Inc. ("LBSF"). I submit this declaration in support of LBSF's Motion to Compel Congregation Machne Chaim ("Machne Chaim") to Respond to Rule 2004 Subpoena (the "Motion").

2. On April 8, 2010, LBSF served a subpoena (the "Subpoena") for Rule 2004 Examination on Machne Chaim, with a return date of May 10, 2010. (A copy of the Subpoena is attached to the Motion as Ex. C.)

3. Machne Chaim did not serve any response and objections to the Subpoena upon LBSF.

4. On or about May 11, 2010, I spoke with Machne Chaim's counsel, Jerald Rosenbloom of Rosenbloom & Hofflich LLP, who requested that LBSF grant Machne Chaim an extension to respond to the subpoena until June 22, 2010 because Machne Chaim could not collect documents until after the close of the school year. I contacted

Mr. Rosenbloom's office on or about May 18, 2010 and stated that LBSF would grant the extension. No documents were produced by Machne Chaim on June 22, 2010, nor was I contacted by Mr. Rosenbloom.

5. Following Machne Chaim's failure to produce documents on June 22, 2010, I attempted on more than one occasion to contact Mr. Rosenbloom by phone in order to arrange a new date for Machne Chaim to produce documents. Mr. Rosenbloom did not return any of my calls. On August 11, 2010, I sent Mr. Rosenbloom a letter which requested that by August 20, 2010, Machne Chaim provide a date certain by when it would complete its production, and that if it did not, or if Machne Chaim failed to produce documents on that date, then LBSF would consider seeking to enforce the Subpoena in the Bankruptcy Court. (A copy of the August 11, 2010 letter is attached to the Motion as Exhibit F.)

6. On August 30, 2010 Mr. Rosenbloom sent me an e-mail in which he noted that Rabbi Klein, whom I believe to be the administrator of Machne Chaim, would not be available to meet until October, 2010. (A copy of the August 30, 2010 e-mail is attached to the Motion as Exhibit G).

7. On November 8, 2010, I sent Mr. Rosenbloom an e-mail informing him that while LBSF was willing to meet with Rabbi Klein to discuss the swap at issue, LBSF was not seeking a meeting with Rabbi Klein, but rather was seeking Machne Chaim's compliance with the Subpoena. I further informed him that if Machne Chaim did not produce the responsive documents by November 15, 2010, then LBSF would move to enforce the Subpoena. (See Exhibit G).

8. On November 10, 2010 Mr. Rosenbloom contacted me by telephone, and said that he was going to call Machne Chaim so as to arrange to collect documents responsive to the Subpoena on Friday November 12, 2010. To date, no further contact with me has been made by Machne Chaim and no documents have been produced.

Dated: November 30, 2010
New York, NY

/s/ Michael J. Firestone
MICHAEL J. FIRESTONE